

Message Text

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44

ACTION OPIC-12

INFO OCT-01 AF-10 ISO-00 EB-11 AID-20 L-03 IO-14 /071 W

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R 141211Z JUN 74

FM AMEMBASSY LUSAKA

TO SECSTATE WASHDC 310

C O N F I D E N T I A L LUSAKA 1216

EO 11652: GDS

TAGS: EFIN, ZA, US

SUBJECT: TAW

REF: LUSAKA 1212

1. WOOD CALLED AT EMBASSY JUNE 14 TO SAY HE ENTERING SETTLEMENT NEGOTIATIONS WITH GRZ (SOLICITOR GENERAL CHIBESAKUNDA) ON BASIS HER LETTER TO HIM OFFERING K14,000 FOR TRACTORS AND K7,000 FOR TRAILERS IN ZAMBIA. CLAIMS THIS ONLY 60 PERCENT OF INVOICED VALUE OF EQUIPMENT AND WILL SEEK HIGHER FIGURE (UNSTATED). IS HOPEFUL GRZ WILL WANT TO BUY 300-ODD VEHICLES AT PORT OF BALTIMORE IN ADDITION; OTHERWISE HIS CLAIM WILL INCLUDE DAMAGES FOR CANCELLATION OF CONTRACT COVERING THESE UNITS AS WELL.

2. WOOD ADVISED OF OPINION OF "VERY HIGH GRZ OFFICIAL" (REFTEL). HE QUICK TO GRASP SOURCE AS PRIME MINISTER. UNDERSTANDS PRIME MINISTER ADVISED BY PRESIDENT TO SETTLE CASE QUICKLY AND AMICABLY. BELIEVES PRIME MINISTER WANTS TO DO SO WITH MINIMUM PERSONAL EMBARRASSMENT TO HIMSELF, AS PRIME MINISTER REPORTEDLY STOOD UP IN NATIONAL ASSEMBLY TWICE AND SAID GOVERNMENT WOULD WIN TAW CASE. NOW CONTRARY LEGAL OPINIONS ARE COMING IN. ON BASIS KNOWLEDGE OF SIWO WAIVER LETTER MEMBER OF CENTRAL COMMITTEE LISULO WHO WAS CONSULTED SAYS GRZ CLAIM IS WEAK. IN ADDITION, UN LEGAL EXPERT IS REPORTED TO HAVE REVERSED UN OPINION IN FAVOR OF TAW, ALSO HAVING TAKEN ACCOUNT OF WAIVER LETTER MADE AVAILABLE BY WOOD BUT NOT PROVIDED TO UN EXPERT BY GRZ WHEN HERE.

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3. WOOD TOLD US HE DOES NOT RPT NOT WANT TO GO TO ARBITRATION
BUT MAY FILE ARBITRATION CLAIM AT THIS JUNCTURE TO KEEP HEAT
ON GRZ. BELIEVES OUTLOOK FOR SETTLEMENT SLIGHTLY MORE
PROMISING NOW THAT SUPPRESSED LETTERS AND FACTS COMING OUT IN
OPEN.

4. WOOD DEPARTS LUSAKA THIS WEEKEND FOR ANNUAL SHAREHOLDERS
MEETING JUNE 21 IN NEW YORK AND RETURNS ZAMBIA JUNE 24 TO
RESUME NEGOTIATIONS.
WILKOWSKI

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